



Honorable Members of the Commerce Committee:

Please accept the following comments in support of HB5716 & HB5717.

Throughout the State of Michigan some charitable organizations utilize “drop boxes” to collect used clothing or household items. These remote donation bins are usually found in parking lots of existing businesses or empty lots. They are often built and painted to look like legitimate charitable organizations such as Goodwill or Salvation Army. Not only are these boxes looked upon as convenient by the local residents, but they feel their donations are certainly going to be used for good within their communities.

What most people do not realize is the donation you give these “charities” are too often a “for-profit thrift store,” which sells the donations for profit and gives the charity only a small amount of the actual value of your donation. Typically, charities receive a small annual flat fee for use of their name, sometimes as low as 6% of what the actual donation is really worth! Goodwill believes this is a deceptive practice and wants donors to have more information about who they are donating to.

At one point, the Goodwill of Mid Michigan counted 75 bins in their territory, which would be 975,000 pounds or about \$100,000 at a conservative 10 cents a pound. This is only one of 10 territories in Michigan where local donation dollars were removed from serving the local community.

HB5716 & HB5717 are about ensuring that the donor has the information needed to make an informed decision about their donations. Information such as the name and address of the charitable organization for whose benefit donations are being solicited, telephone number, charitable purpose of the organization, website if applicable and what percentage of the proceeds go to the actual charitable organizations.

The resale retail business is big business. Last year, Michigan Goodwill’s had revenues of \$110 million dollars, most of which came from the retail stores we operate. Goodwill uses the proceeds from its retail stores to provide services to people with disabilities and other barriers to employment. Services in your community may include job training, placement, career advancement, literacy, ESL classes, at-risk youth programs, prisoner re-entry, transitional employment and others. We serve a diverse population in Michigan, including but not limited to veterans, dislocated workers, MPRI participants, physically and emotionally disabled, youth, welfare to work participants and many others. What people don’t realize is the core of Goodwill’s business is the donation. If we lose donations to for-profit entities, our store sales decrease and we are unable to provide the same level of services.

In 2009 Michigan Goodwill’s served 75,361 Michigan residents and placed 4,387 into competitive employment. That is an average of placing someone into employment in Michigan every 2 hours, 24 hours a day, 364 days a year!

We respectfully ask you to support this legislation so that we may continue the essential services we provide to the constituents of Michigan.

Sincerely,

Randall G. Slikkers
Executive Director
Goodwill Association of Michigan